

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 5, 2007

In Reply Refer To:
ETC Katy Pipeline, Ltd.
Docket No. PR06-21-000

ETC Katy Pipeline, Ltd.
c/o Lemle & Kelleher L.L.P.
10th Floor, Louisiana Tower
401 Edwards Street
Shreveport, Louisiana 71101

Attention: Michael B. Donald,
Counsel for ETC Katy Pipeline, Ltd

Reference: Petition for Rate Approval

Dear Mr. Donald:

1. On August 11, 2006, as supplemented September 19, 2006, you submitted for filing, on behalf of ETC Katy Pipeline, Ltd. (ETC Katy), an application pursuant to section 311(a)(2) of the Natural Gas Policy Act of 1978 (NGPA)¹ to initiate firm transportation service with (a) a maximum reservation rate of \$4.410 per MMBtu; (b) a maximum usage rate of \$0.055 per MMBtu; and (c) a fuel retainage charge of 1.5 percent for compressor fuel, company use, and lost unaccounted-for gas. ETC Katy is a Texas intrastate natural gas pipeline company with approximately 148 miles of pipe.

2. ETC Katy states that the firm transportation service rates are derived from its interruptible transportation service rate of \$0.20 per MMBtu that was approved by the Commission on May 3, 2006, in Docket No. PR06-7-000.² ETC Katy states that subsequent to the May 3, 2006 Order, ETC Katy's management approved entry into the

¹ 15 U.S.C. 3371(a)(2) (2000).

² *ETC Katy Pipeline, Ltd.*, 115 FERC ¶ 61,138 (2006) (May 3, 2006 Order).

firm NGPA section 311 transportation market. ETC Katy further states that its management made this decision in response to shippers on the system expressing interest in firm transportation service.

3. Public notice of ETC Katy's filing was issued August 24, 2006, providing for interventions and protests to be filed by September 8, 2006. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2006)), all timely filed motions to intervene and any motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

4. Based on our review of the petition and the supplemental information, we find ETC Katy's proposed firm transportation reservation rate, usage rate, and fuel retainage charge to be fair and equitable. This is because the firm transportation rates are reasonably derived from ETC Katy's currently effective interruptible transportation service rate and the fuel retainage charge is the same as the currently effective fuel retainage charge. Both of the interruptible transportation rate and fuel retainage charge were recently approved by the Commission in Docket No. PR06-7-000.³ Therefore, the Commission accepts ETC Katy's rate petition to become effective August 11, 2006, subject to the conditions noted below.

5. This letter order does not relieve ETC Katy of its obligations to file the required reports under Part 284 of the Commission's regulations. In addition, ETC Katy is required to re-justify its firm transportation rates and fuel retainage charge as part of a rate petition to be filed by ETC Katy on or before December 8, 2008, as required by the May 3, 2006 Order.

By direction of the Commission.

Magalie R. Salas,
Secretary.

³ *Id.*